

# Shelter NSW Submission

## Newcastle Council Draft Local Housing Strategy

June 2020



### Introduction

Ongoing research shows that the deteriorating supply of affordable housing options for NSW residents, especially those on low incomes, diminishes people's lives, communities, well-being and productivity. What is also evident, especially in regional cities and towns across NSW, is limited housing choice to meet the need of different populations groups. Existing housing stock is primarily dominated by freestanding homes, with a significant percentage of homes occupied by 'empty nesters', many of whom have reached retirement age. This, combined with a declining younger population often looking for alternative lifestyle options, leads to a mismatch between housing need and supply.

Newcastle Council Draft Local Housing Strategy (2020) acknowledges the need for land-use provisions and other mechanisms that enable a more diverse mix of housing types that are affordable, sustainable and that meet the diverse needs and preferences of the community. With these issues in mind, Shelter NSW welcomes the opportunity to make comments on the Newcastle Council Draft Local Housing Strategy (June 2020) and we remain open to any further consultations.

### About Shelter NSW

Shelter NSW is a non-profit advocacy organisation that promotes our vision of a secure home for all. Operating since 1975, we represent the values of our member organisations and individuals that want to create a housing system in NSW that is economically, socially and environmentally sustainable. Together, we conduct collaborative research and engage policymakers to address housing insecurity in all its forms, particularly as it affects people on low incomes.

### Shelter NSW Comments on Draft Newcastle Council Draft Local Housing Strategy - June 2020

Shelter NSW congratulates Newcastle Council on the preparation of its comprehensive Draft Local Housing Strategy (2020). Our following submission aims to provide feedback on ways to support or strengthen the identified strategic priorities outlined in your report.

The Draft Local Housing Strategy notes objectives to deliver homes in the right locations, which are 'diverse, accessible and affordable'. We are pleased to provide the following comments in line with the Council's stated objectives. In situations where Shelter NSW suggestions go beyond the direct control of the Council, we are happy to collaborate on any future advocacy-based actions.

## Newcastle Council Draft Housing Priorities and Shelter NSW Recommendations

### ***Council's Strategy - Maintain and encourage housing supply in the right locations.***

#### *Objectives:*

*Housing is located in areas with adequate infrastructure, close to jobs, services, public open space and reliable public transport,*

*The demand for more homes is balanced with the need for more jobs and sustainable economic growth, as well as with the creation of great places, and the retention of important ecological habitat,*

*Plan for a resilient city by reducing vulnerability to natural hazards at the planning stage.*

Shelter NSW sees basing new residential developments on clustering dwelling patterns as one way to deliver healthier long-term housing outcomes that improve social connection for both older and younger residents. It also has the benefit of reducing the impact of climate change and natural hazards.

#### **Shelter NSW Recommendations**

##### ***Maintain and encourage housing supply in the right locations***

The following recommendations aim to support the delivery of homes that meet the needs of younger residents and deliver alternative housing options for older residents to age in place:

- increase housing choice in the form of more townhouses, villas and apartments connected to existing centres and essential infrastructure,
- deliver infill development that aims to revitalise established residential areas,
- close the mismatch between current and future housing needs by supporting ways to deliver seniors housing in locations close to town and village centres (taking into consideration land and environmental constraints)
- aim to deliver more housing diversity as part of any CBD or 'town centre' master planning process,
- introduce more medium-density (R3) zones within town centres.

##### ***Recognise affordable housing (including public and community housing) as essential infrastructure***

We would also encourage the Council to support the recognition of affordable housing (including public and community housing) as essential infrastructure in any future planning document (This definition is from the Australian Infrastructure Audit 2019). This acknowledges the essential relationship between infrastructure, jobs, services, open space, public transport and affordable housing supply.

***Council's Strategy- Diversify housing type and tenure across the LGA to provide for a range of housing needs. Objective - A mix of dwelling types, tenures and sizes are available to support a diverse community.***

**Shelter NSW Recommendations**

***Low Rise Housing Diversity Code***

Shelter NSW recognises that some of the housing products in the NSW Government's new 'Low Rise Housing Diversity Code' have the capacity to deliver extra housing choice and diversity. However, Shelter NSW is concerned that several requirements in the 'Code' disincentivised the provision of different housing products for regional cities and towns. From Shelter's perspective, this is the result of the 'Low Rise Housing Diversity Code' having a metro-centric focus.

Many of the development standards in the 'Code' don't respond to the characteristics of regional main streets and town centres. Some standards in the Code such as building height, maximum gross floor area, setback and landscaping requirements would make it hard to deliver many of these housing products in a regional main street setting. Furthermore, some of the standards would diminish the main street character of regional centres and be rejected by local communities.

One obvious example with the capacity to deliver more choice is the Manor Houses which could potentially deliver smaller dwellings within a main street setting, catering to the needs of older and younger residents. However, the setback requirements are determined based on the two nearest residential buildings, which diminishes any opportunity to deliver Manor Houses in a main street environment.

In response, Shelter NSW suggests that the Council approach the NSW Department of Planning, Industry and Environment to work on the development of a modified version of the 'Low Rise Housing Diversity Code' for non-metro LGAs. Alternatively, Council could develop its own strategic framework to support the delivery of alternative housing options.

***Mandate bedroom Mix***

The Council could also consider mandating for a proportion of new dwellings to have a certain number of bedrooms in strategic centres (for example, mandate for 10% of new dwellings in strategic centres to be one or two bedrooms).

***Council's Strategy- Increase the availability of accessible and adaptable housing. Objective - Increased provision of adaptable and accessible housing that adopts universal housing design principles.***

**Shelter NSW Recommendations**

***Deliver accessible housing options***

Shelter NSW suggests that the Council look at ways to deliver seniors housing options in locations close to the CBD and town centres (taking into consideration land and environmental constraints) to close the mismatch between current and future housing supply and the needs of older residents.

Shelter NSW also suggests that Council develop guidelines to increase the provision of adaptable and accessible housing units in line with universal housing design principles (<http://universaldesign.ie/What-is-Universal-Design/Definition-and-Overview>).

**Councils Strategy- Increase the supply of affordable rental housing.** Objectives- All households will be able to rent a dwelling that meets their needs and costs less than 30% of their gross household income. Work with DPIE to ensure opportunities for the provision of affordable rental housing are required in the Catalyst Areas.

### **Shelter NSW Recommendations**

#### ***Understanding the issue of Key workers and housing need in the era of Covid 19***

Shelter NSW would like the Council to consider the role of 'key workers' and the delivery of affordable housing over the next few years through the economic disparities resulting from the Covid-19 pandemic.

The pandemic has highlighted the inequality between essential workers with secure employment and those without. We have seen the growth of a highly casualised workforce, and a growth in insecure employment.

The impacts of Covid 19 will see an increasing need for many key workers without secure employment to access affordable housing options over the coming years. Shelter recommends that any commitment in the Council Housing policy include the impact of Covid 19 and expand the definition of key worker to include the retail, hospitality, public and private transport sectors.

#### ***Council make an explicit commitment to deliver affordable housing by seeking inclusion into SEPP 70 (Affordable Housing Contributions Scheme)***

There are policies and instruments that can be used to generate more affordable housing through the planning system and these are relevant to the Council's Local Housing Strategy. One is the NSW Department of Planning, Industry and Environment (DPIE) *State Environmental Planning Policy No 70 (SEPP70) – Affordable Housing (Revised Schemes)* which allows Councils in NSW to use the inclusionary zoning provisions available in the *Environmental Planning and Assessment Act 1979*.

SEPP 70 allows affordable housing units to be acquired via a local housing strategy. This usually includes a provision that specific areas undergoing redevelopment or master planning processes identify where an affordable housing contribution scheme can be applied. The following Councils have been included into SEPP70 and they all provide good examples of a SEPP 70 delivery framework; City of Sydney, Willoughby, Randwick, Inner West, Northern Beaches, Ryde and Canada Bay.

SEPP 70 is the primary tool in NSW for delivering new affordable housing products via the planning system and as such Shelter NSW suggests that the Council seek approval for inclusion into the SEPP.

#### ***Affordable Housing Contribution Rate***

Shelter NSW suggests that, as part any SEPP 70 framework, the Council has an affordable housing contribution rate for both residential and non-residential land use zones. This is the case with the City of Sydney who has the following:

##### **Residential development**

- On-site: 3% of the total residential floor area must be provided as affordable housing.
- Monetary: \$214.17 per square metre of the total residential floor area.

### **Non-residential development**

- On-site: 1% of the total non-residential floor area must be provided as affordable housing.
- Monetary: \$71.36 per square metre of the total non-residential floor area.

### ***Planning Agreement Framework to Include Affordable Housing***

An additional mechanism by which affordable housing can be delivered is the inclusion of a provision for it in the Council's Planning Agreement framework. This allows the Council to acquire a community contribution in the form of affordable housing on major development sites or masterplans.

The benefit of having a planning agreement system is that it can often take years for the Council's affordable housing scheme to be outlined and adopted as part of its LEP and then included into SEPP70. To address this issue, Shelter NSW suggests that a complementary planning agreement framework be put in place to capture uplift and deliver affordable housing in the meantime.

Two best practice planning agreement policy options are provided below:

1. Canterbury Bankstown draft Planning Agreement Policy has the following clause.  
*"Where a Planning Proposal is seeking an uplift of residential floor space that exceeds 1,000 sqm of gross floor area (as defined in the applicable local environmental plan), the equivalent of at least 5 percent of the increased residential floor space should be dedicated to the Council in the form of residential dwellings for affordable housing, or as a cash payment for affordable housing."*
2. Randwick Council:  
[https://www.randwick.nsw.gov.au/\\_data/assets/pdf\\_file/0007/25990/Planning-Agreements-Policy.pdf](https://www.randwick.nsw.gov.au/_data/assets/pdf_file/0007/25990/Planning-Agreements-Policy.pdf).

### ***Council develop an Affordable rental housing target for the LGA***

Shelter NSW suggests that the Council set a broad affordable housing target that's around 15% of all housing stock. This could then be broken down by, affordable, community, and public housing. One example of this is The City of Sydney Council's [Sustainable Sydney 2030](#) report which establishes the following targets by 2030; 7.5% of all housing in the local area will be social housing provided by the government and community providers, and 7.5% will be affordable housing delivered by not-for-profit or other providers.

### ***Mitigate measure re loss to affordable rental accommodation to short-term visitor rental***

One additional stress in coastal location's housing markets is the issue of residential housing being lost to short-term visitor rental accommodation. The Council could consider investigating opportunities to mitigate these impacts by applying a cap similar to the short-term accommodation rules for greater Sydney.

### ***Incentives to organisations or authorities that deliver affordable housing in perpetuity***

Shelter NSW suggests that Council offer the following incentives to organisations or authorities that deliver affordable housing in perpetuity; a fast track DA process, fee reduction or waiver, density bonus, car parking reduction bonus and waving or varying s7.11 contributions. We recommend that any incentives be targeted at public housing or not-for-profit developers (CHPs), linked to the affordable housing being secured in perpetuity, not for a minimum of ten years.

### ***Analyze and update data related to affordable housing***

Shelter NSW recommends that the Council also track any affordable housing approvals to enable a clear understanding of what type of affordable housing is being delivered across the LGA. This will enable the Council to respond proactively to the needs of its communities and monitor any losses or increases in housing stock for lower income households in need.

### ***Acknowledge and Support Local Aboriginal Land Council to deliver additional housing opportunities***

Shelter NSW would like to see a commitment by the Council to work with the Local Aboriginal Land Council (LALC) on the development of a strategic plan for their landholders. This plan should be aimed at supporting the delivery of additional housing opportunities and appropriate housing design outcomes on Aboriginal owned land. This work can be based on the Aboriginal Land Framework (introduced by the NSW Planning System in 2019).

Proposed Actions:

- Work cooperatively with LALC to rezone land so that it can be used for additional social housing.
- Explore ways to support secondary dwellings/granny flat accommodation on existing Aboriginal/social housing lots.
- Encourage the construction of additional Aboriginal social housing stock so that the underutilisation of existing housing and essential service can be addressed.
- Work with public, community and Aboriginal housing providers to ensure dwellings are adequately maintained to improve the survivability of structures under bushfire or drought threat.

Shelter NSW also suggests that Council work with public, community and Aboriginal housing providers to find solutions which address the issue of overcrowding in Aboriginal housing. Such solutions could include:

- flexible design allowance in DCP to expand and/or close off the edges of houses to provide additional outdoor areas, and
- housing design layouts that support both cooling and heating functions throughout the entire building.

### ***Crown Land and Opportunities to deliver Affordable housing***

The NSW Government is currently undertaking a *State Strategic Plan- A Vision for Crown Land* review. While we are aware that many NSW Councils have a strong view on the management and transfer of Crown lands, we would encourage the Council to work with the Crown Land Authority to deliver affordable housing projects across the Newcastle LGA.

### ***Protection and Support for residents in Land Lease communities***

Due to housing affordability issues, many residents who don't own a home and can't access public housing live in Residential land lease communities such as residential parks, caravan parks and manufactured home estates.

As pointed out by the Tenants' Union of NSW (TU) review of the Residential (Land Lease) Communities in 2017, many of the reforms failed to deliver protections for tenants or owners in these communities.

Many of the following matters impact the people who live in these communities:

- a lack of an effective compliance regime and site agreement fees set at unfair market values,
- overcharging on utility usage,
- site maintenance and repair costs being passed on to dwelling owners, despite the repairs being part of essential infrastructure,
- other matters, such as the value of homes decrease due to discriminatory agreement terms.

In light of the matters outlined above, we suggest that the Council include these communities in its housing strategy and that the Council aim to ensure that land lease (Caravan or mobile home park) managers or owners are encouraged to address the following matters:

- strict compliance and enforcement based on fair and transparent standards,
- encourage the introduction of minimum energy efficiency standards,
- support the introduction of fixed-term leases as opposed to the periodic agreement.
- encourage fair and transparent water management practises and charges.

***Councils Strategy- Ensure new housing and changes to existing housing reflect the desired future local character of the area. Objective - Develop robust urban planning controls to ensure the desired local character of an area is achieved. Ensure new housing enhances and contributes to the future character of an area.***

#### **Shelter NSW Recommendations**

##### ***Maintain Local Built Form Character Through Best Practice Design Outcomes***

To ensure that any new, infill or residential developments enhance the existing build form of regional cities, main streets and town centres, Shelter NSW recommends the Council develop local character assessment requirements that include particular design elements, for its DCP and Master plan proposals. In line with this initiative, we suggest that Council might like to review the following two documents; 'Implementing Good Design' and Evaluating Good Design (2018) by NSW Governments Architect (<https://www.governmentarchitect.nsw.gov.au/guidance/implementing-good-design>)

***Councils Strategy- Homes are designed to be ecologically sustainable and to reduce the resource requirements through the life cycle of the dwelling. Objectives - Housing has a high level of amenity and supports the health and wellbeing of the community in an energy efficient way. New housing contributes to our goal of achieving net zero emissions by 2050.***

#### **Shelter NSW Recommendations**

##### ***Housing Developments that Build Resilience to Climate Change Impacts***

In line with the stated strategies and objectives, we suggest that Council encourage clustered development patterns with the aim of consolidating landscaping and vegetation, reducing the risk of bushfire/floods and facilitating the delivery of better water management practices. Connected to these consolidation initiatives, we recommend that new residential fringe or semiurban release development areas be based on the General

Residential (R1) zones combined with bush fire and flood management criteria as opposed to Low-Density residential subdivision zones.

***Reducing climate change impacts***

To build resilience to the changing climate, Shelter NSW suggest that Council and the NSW Government work together particularly in regional NSW, to deliver green landscape spaces in regional towns combined with an active tree planting and employment initiatives.

## Thank you

Shelter NSW appreciates the opportunity to comment on the Newcastle Council Draft Local Housing Strategy (June 2020). We hope that the comments and insights we have provided bring some value to Council's strategic planning work in the housing policy space.

We are also happy to engage with the Council on the issues raised in our submission. If you wish to discuss our submission in more detail, please contact Stacey Miers on 0410 633 272 or by email at [stacey@shelternsw.org.au](mailto:stacey@shelternsw.org.au).

Sincerely Yours,

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